

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

04 - 20 -

2. STATE:

Maryland

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

Medicaid

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

January 1, 2004

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

7. FEDERAL BUDGET IMPACT:

a. FFY 2004 \$ 0

b. FFY 2005 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supp 6 to Attachment 2.6A, Page 1
Supp 8a to Attachment 2.6A, Page 1
Supp 8a to Attachment 2.6A, Page 3
Supp 8a to Attachment 2.6A, Page 69. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):Supp 6 to Attachment 2.6A, Page 1 (03-11)
Supp 8a to Attachment 2.6A, Page 1 (99-1)
Supp 8a to Attachment 2.6A, Page 3 (02-02)
Supp 8a to Attachment 2.6A, Page 6 (new)
(continued on page 2)

10. SUBJECT OF AMENDMENT:

Change the requirements for consideration of income and resources. Technical changes
that will not affect eligibility decisions but will simplify and expedite eligibility
determinations.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☒ OTHER, AS SPECIFIED:Susan Tucker, Executive Director
Office of Health Services

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Nelson J. Sabatini

13. TYPED NAME:

Nelson J. Sabatini

14. TITLE: Secretary, Department of Health
and Mental Hygiene

15. DATE SUBMITTED:

2/23/04

16. RETURN TO:

Susan Tucker, Executive Director
Office of Health Services - DHMH
201 W. Preston St., Room 127
Baltimore, MD 21201

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

February 24, 2004

18. DATE APPROVED

MAY 24 2004

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

January 1, 2004

20. SIGNATURE OF REGIONAL OFFICIAL:

Mary T. McSorley

21. TYPED NAME:

Mary T. McSorley

22. TITLE: Associate Regional Administrator
Division of Medicaid & Children's Health

23. REMARKS:

SPA 04-20

HCFA 179 – Page 2

8. Page number of the plan section or attachment: 9. Page number of the superseded plan section or attachment:

Supp 8b to Attachment 2.6A, Page 1

Supp 8b to Attachment 2.6A, Page 5

Supp 13 to Attachment 2.6A, Page 2

Supp 13 to Attachment 2.6A, Page 2-a

Supp 8b to Attachment 2.6A, Page 1 (95-3)

Supp 8b to Attachment 2.6A, Page 5 (new)

Supp 13 to Attachment 2.6A, Page 2 (02-11)

Supp 13 to Attachment 2.6A, Page 2-a (new)

FEDERAL REGULATION CITATIONS:

Attachment 2.2 A 42 CFR 435.10

✓ Attachment 2.6 A 42 CFR Part 435, Section 435.10 and Subparts G & H AT-78-90, AT-80-6, AT-80-34
1902(l) and (n) of the Act, P.L. 99-509 (Secs. 9401 and 9402), 1902(l) and (n) and 1920 of the Act, P.L. 99-509
(Secs. 9401, 9402, and 9407)

Attachment 3.1 A Part 400, Subpart B and 1902(e)(5), 1905(a)(18) through (20), and 1920 of the Act,
P.L. 99-272 (sections 9501, 9505 and 9526) and 1902(a), 1902(e)(47), 1902(e)(7) through (9), and 1920 of the
Act, P.L. 99-509 (sections 9401(d), 9403, 9406 through 9408) and P.L. 99-514 (section 1895(c)(3))

Attachment 3.1 B 42 CFR Part 440, Subpart B, 42 CFR 441.15, AT-78-90, AT-80-34

Attachment 3.1 C 42 CFR 431.53, AT-78-90

Attachment 3.1 F 1905(a)(24) and 1930 of the Act, P.L. 101-508 (Section 4712 OBRA 90)

Attachment 4.18 A 447.51 through 447.58

Attachment 4.18 C 447.51 through 447.53

Attachment 4.19 A & B (a) 42 CFR 447.252, 46 FR 44964, 48 FR 56046, 50 FR 23009, 1902(e)(7) of the Act,
P.L. 99-509 (section 9401(d))

(b) 42 CFR 447.201, 42 CFR 447.302, AT-78-90, AT-80-34, 1903(a)(1) and (n) and 1920
of the Act, P.L. 99-509 (Section 9403, 9406 and 9407), 52 FR 28648

Attachment 4.16 42 CFR 431.615(c) AT-78-90

Attachment 4.19 D (d) 42 CFR 447.252, 47 FR 47364, 48 FR 56046, 42 CFR 447.280, 47 FR 31513, 52 FR
28141

Attachment 4.22 A (a) 433.137(a), 50 FR 46652, 55 FR 1423

Attachment 4.22 B (b) 433.138(f), 52 FR 5967, 433.138(g)(1)(ii) and (2)(ii), 52 FR 5967,
433.133(g)(3)(i) and (iii), 52 FR 5967, 433.133(h)(4)(i) through (iii), 52 FR 5967

Attachment 4.22 C Section 1906 of the Act

Attachment 4.26 1927(g) 42 CFR 456.700, 1927(g)(1)(A), 1927(g)(1)(a) 42 CFR 456.705(b) and
456.705(b), 1927(g)(1)(B) 42 CFR 456.703(d) and (f), 1927(g)(1)(D) 42 CFR 456.703(b), 1927(g)(2)(A) 42 CFR
456.705(b), 1927(g)(2)(A)(1) 42 CFR 456.705(b), 1927(g)(2)(A)(1) 42 CFR 456.705(b), (1)-(7), 1927(g)(2)(A)(ii)
42 CFR 456.705(c) and (d), 1927(g)(2)(B) 42 CFR 456.705(a), 1927(g)(2)(C) 42 CFR 456.709(b), 1927(g)(2)(D) 42
CFR 456.711, 1927(g)(3)(A) 42 CFR 456.716(a), 1927(g)(3)(B) 42 CFR 456.716 (A) and (B), 1927(g)(3)(C) 42 CFR
456.716(d) 1927(g)(3)(C) 42 CFR 456.711 (a)-(d), 1927(g)(3)(D) 42 CFR 456.712 (A) and (B), 1927(h)(1) 42 CFR
456.722, 1927(g)(2)(A)(1) 42 CFR 456.705(b), 1927(j)(2) 42 CFR 456.703(c)

Attachment 4.32 A (a) 435.940 through 435.960, 52 FR 5967

Attachment 4.33 A (a) 1902(a)(46) of the Act, P.L. 99-570 (Section 11005), P.L. 100-93 (Section
5(a)(3))

Attachment 4.35 A (a) 1919(b)(1) and (2) of the Act, P.L. 100-263 (Section 4212(a))

Attachment 4.35 B (b) Same as above

State Maryland

Page 1

Standards for Optional State Supplementary Payments

Payment Category (Reasonable Classification)	Administered by FederalState	Income Level				Income Disregards Employed
		Gross		Net		
		1 Person	Couple	1 Person	Couple	
(1) Maximum amount for each aged, blind, or disabled individual in: Assisted Living	(2)	(3) Maximum amount \$748 State		(4) per individual \$666*		(5) \$85 plus 1/2 of the remaining monthly earned income
CARE Homes (Project Home)		\$630- \$1,230 State		\$548- \$1,148*		\$85 plus 1/2 of the remaining monthly earned income
DHMH Rehabilitative Residence		Maximum 300% of SSI benefit level		Gross Minus \$82*		300% of SSI FBL

* \$82 personal needs allowance for all categories

TN# 04-11

Supersedes

Approval Date _____

Effective Date January 1, 2004

TN# 03-11

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Maryland

MORE LIBERAL METHODS OF TREATING INCOME

UNDER SECTION 1902(r)(2) OF THE ACT

☐

Section 1902 (f) State

☒

Non-Section 1902 (f) State

The more liberal income methodology is as follows:

1. Countable net income which exceeds 133% of the Federal Poverty Level (FPL) but is less than 185% of the FPL will be disregarded for children whose eligibility is related to the FPL under Section 1902(l)(1)(C) and 1902(l)(2)(B).
2. Countable net income which exceeds 100% of the FPL but is less than 185% of the FPL will be disregarded for children whose eligibility is related to the FPL under Section 1902(l)(1)(D) and 1902(l)(2)(C).

*More liberal methods may not result in exceeding gross income limitations under section 1903(f).

TN No. 04-20

Supersedes

TN No. 99-1

Approval Date MAY 24 2004

Effective Date January 1, 2004

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Maryland

MORE LIBERAL METHODS OF TREATING INCOME

UNDER SECTION 1902 (r) (2) OF THE ACT

☐

Section 1902 (f) State

☒

Non-Section 1902 (f) State

More liberal methodology for pregnant women as follows

In determining eligibility of the group of pregnant women described in 1092(l)(1)(A), the State will either (a) apply the income disregards of the AFDC State plan in effect on July 16, 1996, or (b) disregard from gross income dollar for dollar dependant care expenses and the amount of the difference between 185 percent and 250 percent of the Federal poverty level for the family size involved as revised annually in the Federal Register, whichever is to the family's advantage. In no case will income excluded under any Federal statute be counted in determining income.

More liberal methods may not result in exceeding gross income limitations under section 1903(f)

TN No. 04-20

Supersedes

TN No. 02-02

MAY 24 2004

Approval Date _____

Effective Date January 1, 2004

State Plan Under Title XIX of the Social Security Act
State: Maryland
LESS RESTRICTIVE METHODS OF TREATING INCOME
UNDER SECTION 1902(r)(2) OF THE ACT

For the SSI-related groups authorized under Sections 1902(a)(10)(A)(ii)(I), 1902(a)(10)(A)(ii)(IV), 1902(a)(10)(C), 1902(a)(10)(E)(i), 1902(a)(10)(E)(iii), 1902(a)(10)(E)(iv), and 1905(p) of the Social Security Act, the following more liberal methodologies apply:

1. Earned or unearned in-kind income is excluded.
2. Training allowances and expenses are excluded as countable income.
3. Educational work-study earnings, stipends, and reimbursement for out-of-pocket expenses are excluded as countable income.
4. Payments received under a crime victims compensation program are excluded as countable income.
5. Interest income accrued to bank accounts is excluded as countable income.
6. All grants, loans, scholarships, fellowships, and training allowances for educational purposes and all educational expenses while in attendance are excluded as countable income.
7. All charitable contributions received are excluded as countable income.
8. Infrequent or irregular unearned income is excluded up to \$200 per 6 months, and earned income is excluded up to \$30 per quarter.
9. Room and/or board income received from a person living in the assistance unit's home is excluded.
10. For consideration of rental property income and self-employment income, deduct 50% from the gross earnings as the cost to produce.

For the AFDC-related groups authorized under Sections 1902(a)(10)(A)(i)(III), 1902(a)(10)(A)(i)(IV), 1902(a)(10)(A)(i)(VI), 1902(a)(10)(A)(i)(VII), 1902(a)(10)(A)(ii)(I), 1902(a)(10)(A)(ii)(VIII), 1902(a)(10)(A)(ii)(IX), 1902(a)(10)(A)(ii)(XIV), and 1902(a)(10)(C) of the Social Security Act, the following more liberal methodologies apply:

1. Earned income of a child less than 18 years old is excluded.
2. Earned or unearned in-kind income is excluded.
3. All loans are excluded as countable income, regardless of whether the person is receiving money as the borrower or the lender.
4. Training allowances and expenses are excluded as countable income.
5. Educational work-study earnings, stipends, and reimbursement for out-of-pocket expenses are excluded as countable income.
6. Payments received under a crime victims compensation program are excluded as countable income.
7. Interest income accrued to bank accounts is excluded.
8. All grants, loans, scholarships, fellowships, and training allowances for educational purposes and all educational expenses are excluded as countable income.
9. All charitable contributions received are excluded as countable income.
10. Infrequent or irregular unearned income is excluded up to \$200 per 6 months, and earned income is excluded up to \$30 per quarter.
11. For consideration of room and/or board income, rental property income, and self-employment income, deduct 50% from the gross earnings as the cost to produce.
12. Disregard up to \$200 per month per child in child care expenses for an assistance unit member who works 100 or more hours per month. Disregard up to \$100 per month if the member works less than 100 hours per month.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Maryland

MORE LIBERAL METHODS OF TREATING RESOURCES

UNDER SECTION 1902 (r) (2) OF THE ACT

☐

Section 1902 (f) State

☒

Non-Section 1902 (f) State

A resource disregard is given to an aged, blind, or disabled person who has purchased a long-term care insurance policy approved by the Maryland Insurance Commissioner, under Health-General Article, Title 15, Subtitle 4. Maryland Partnership for Long-Term Care Program, Annotated Code of Maryland, and such policy has paid for nursing home care or home care and community-based services as approved or covered under the Maryland Medical Assistance Program.

The amount of the disregard is equal to the lower of the actual charge for the services and the amount paid by the insurance company.

The resource disregard is in effect for the lifetime of the individual.

The disregarded resource is subject to Medicaid estate recoveries under section 1917(b)(1)(C)(i) of the Act.

Persons eligible for a resource disregard are medically needy aged, blind, or disabled described at section 1902(a)(10)(C)(i)(III) of the Act and in C.7, C.8, and C.9 of Attachment 2.2-A, page 26 of the Maryland State Plan.

TN No. 04-20

Supersedes

TN No. 95-3

Approval Date

MAY 2 4 2004

Effective Date January 1, 2004

State Plan Under Title XIX of the Social Security Act

State: Maryland

**LESS RESTRICTIVE METHODS OF TREATING RESOURCES
UNDER SECTION 1902(r)(2) OF THE ACT**

For the SSI-related groups authorized under Sections 1902(a)(10)(A)(ii)(I), 1902(a)(10)(A)(ii)(IV), 1902(a)(10)(A)(ii)(V), 1902(a)(10)(C), 1902(a)(10)(E)(i), 1902(a)(10)(E)(iii), 1902(a)(10)(E)(iv), and 1905(p) of the Social Security Act, the following more liberal methodologies apply:

1. Any vehicle regardless of value is excluded as a countable resource, except for airplanes, recreational vehicles, boats and their trailers, and antique cars which are not the assistance unit's primary vehicle.
2. Exclude as a countable resource all irrevocable or revocable burial or funeral plans which specify that a funeral home will receive all proceeds. Exclude other liquid resources designated for burial/funeral up to \$1,500.
3. Exclude income-producing property as a countable resource if it annually produces income consistent with the fair market value.
4. Exclude household goods and personal effects, except for luxury items or valuable collections (e.g., antiques, stamp or coin collection, expensive jewelry other than wedding rings, fur coats).

For the AFDC-related groups authorized under Sections 1902(a)(10)(A)(i)(III), 1902(a)(10)(A)(i)(IV), 1902(a)(10)(A)(i)(VI), 1902(a)(10)(A)(i)(VII), 1902(a)(10)(A)(ii)(I), 1902(a)(10)(A)(ii)(VIII), 1902(a)(10)(A)(ii)(IX), 1902(a)(10)(A)(ii)(XIV), and 1902(a)(10)(C) of the Social Security Act, the following more liberal methodologies apply:

1. Any vehicle, regardless of value, is excluded as a countable resource.
2. Up to \$2000 of a child's earnings, held in a separate bank account, is excluded as a countable resource.
3. Life insurance policies are excluded as a countable resource.
4. Real property that is not the primary residence is excluded as a countable resource if it is listed for sale with a realtor.
5. Exclude as a countable resource all irrevocable or revocable burial or funeral plans which specify that a funeral home will receive all proceeds. Count other liquid resources designated for burial/funeral.
6. Exclude income-producing property as a countable resource if it annually produces income consistent with the fair market value.
7. Exclude as a countable resource all retirement and pension plans except IRA and Keogh accounts.
8. Exclude household goods and personal effects, except for luxury items or valuable collections (e.g., antiques, stamp or coin collection, expensive jewelry other than wedding rings, fur coats).

State Plan Under Title XIX of the Social Security Act
State: Maryland
ELIGIBILITY UNDER SECTION 1931 OF THE ACT

X The agency applies higher resource standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996, as follows:

Resource standard for a family of any size is \$2000

X The agency uses less restrictive income and/or resource methodologies than those in effect as of July 16, 1996, as follows:

1. Any vehicle, regardless of value, is excluded as a countable resource.
2. Up to \$2000 of a child's earnings, held in a separate bank account, is excluded as a countable resource.
3. Earned income of a child less than 18 years old is excluded.
4. Life insurance policies are excluded as a countable resource.
5. Individual Development Accounts are excluded as countable income or resource.
6. Real property that is not the primary residence is excluded as a countable resource if it is listed for sale with a realtor.
7. Earned or unearned in-kind income is excluded.
8. All loans are excluded as countable income, regardless of whether the person is receiving money as the borrower or the lender.
9. Training allowances and expenses are excluded as countable income.
10. Educational work-study earnings, stipends, and reimbursement for out-of-pocket expenses are excluded as countable income.
11. Payments received under a crime victims compensation program are excluded as countable income.
12. Interest income accrued to bank accounts is excluded.
13. All grants, loans, scholarships, fellowships, and training allowances for educational purposes and all educational expenses are excluded as countable income.
14. All charitable contributions received are excluded as countable income.
15. Infrequent or irregular unearned income is excluded up to \$200 per 6 months, and earned income is excluded up to \$30 per quarter.
16. For consideration of room and/or board income, rental property income, and self-employment income, deduct 50% from gross earnings as the cost to produce.
17. Disregard up to \$200 per month in child care expenses for an assistance unit member who works 100 or more hours per month. Disregard up to \$100 per month if the member works less than 100 hours per month.
18. Exclude as a countable resource all irrevocable or revocable burial or funeral plans which specify that a funeral home will receive all proceeds. Count other liquid resources designated for burial/funeral.
19. Exclude income-producing property as a countable resource if it annually produces income consistent with the fair market value.
20. Exclude as a countable resource all retirement and pension plans except IRA and Keogh accounts.
21. Disregard \$1 plus the amount between the TANF payment standard and the income standard for a household the size of the Medicaid budget unit involved.

X The income and/or resources methodologies that the less restrictive methodologies replace are as follows:

1. The first \$1,500 of the equity value of one vehicle is excluded.

State Plan Under Title XIX of the Social Security Act

State: Maryland

ELIGIBILITY UNDER SECTION 1931 OF THE ACT

2. Count a child's earnings in a bank account.
3. Earned income of a child under 18 years old is excluded if the child is a full-time student, or is a part-time student and not employed full-time.
4. Cash value of life insurance policies counted.
5. Individual Development Accounts counted.
6. Real property, other than primary residence, counted.
7. Unearned in-kind income excluded. Earned in-kind income counted.
8. Loans counted.
9. Training allowances and expenses of active participants in approved Family Investment Program activities counted if not otherwise excluded.
10. Work-study earnings, stipends, and reimbursement for out-of-pocket expenses excluded only for a child under 21 years old.
11. Payments received under a crime victims compensation program counted.
12. Interest income accrued to bank accounts is counted.
13. Exclude grants or loans to an undergraduate student for educational purposes under a program administered by the U.S. Dept. of Education. Exclude the portion of educational grants, loans, scholarships, and fellowships that is designated and used solely for undergraduate and graduate educational pursuits. Count the amounts that are not excludable.
14. Charitable contributions are counted.
15. Infrequent or irregular earned or unearned income is counted.
16. For consideration of room and/or board income, 75% is counted as profit. For rental non-home property income and self-employment income, count as profit the net amount remaining after deducting actual expenses. For rental home property, only utility expenses are deducted when determining countable profit.
17. If an assistance unit member works at least 100 hours per month, disregard up to \$175 per month in child care expenses for each child at least 2 years old and up to \$200 per month for each child less than 2 years old. If an assistance member works less than 100 hours per month, disregard up to \$100 per month in child care expenses for each child.
18. Exclude burial funds up to \$1,500 for each assistance unit member.
19. Income-producing real property is counted as a resource. Excluded are income-producing farm machinery, livestock, tools, business equipment, and tools and equipment necessary for employment.
20. Count retirement and pension plans as a resource if accessible.
21. n/a

_____ The agency terminates medical assistance (except for certain pregnant women and children) for individuals who fail to meet TANF work requirements.

X The agency continues to apply the following waivers of provisions of Part A of title IV in effect as of July 16, 1996, or submitted prior to August 22, 1996, and approved by the Secretary on or before July 1, 1997.

Waiver of §§ 402(a)(41) and 407 of the Act, 45CFR 233.100(a)(1) and (c)(1)(iii).

Deprivation is not a factor of eligibility for a child in an intact family. A child will continue to be considered deprived regardless of whether a parent is unemployed or the number of hours that the principal wage earner is employed.